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Debate Begins Today on Restructuring Defense

\$33 Billion Cut in '89 Must Be Followed by \$200 Billion More Over 3 Years, Carlucci Warns

By George C. Wilson
Washington Post Staff Writer

The national debate over how to accomplish the most extensive restructuring of the U.S. military since the Vietnam war opens today, with Defense Secretary Frank C. Carlucci warning Congress that the \$33 billion cut in the newest Pentagon budget will have to be followed by reductions of at least \$200 billion in the subsequent three years.

"I expect a very intense summer program review and major restructuring of defense programs," Carlucci wrote the Senate Armed Services Committee in serving notice that the fiscal 1989 military budget for the year beginning Oct. 1 is only the start of the turnaround forced on the Pentagon by lawmakers more worried about the deficit and a recession than the Soviet threat.

The five-year rearmament program projected by Defense Secretary Caspar W. Weinberger, who left office in November, has already been superseded by a less ambitious plan drafted by Carlucci. Weinber-

ger called for annual increases in the 1990s of 3 percent after allowing for inflation. Carlucci, in the budget to be unveiled today, settled for 2 percent real increases.

Congressional analysts said yesterday that the lawmakers are far more likely to keep cutting the Pentagon by 2 percent a year, as they have in the past three years, than to raise it as Carlucci is requesting. The new president will inherit turmoil in the military, with each service fighting for a bigger piece of the smaller money pie, and in Congress, where politicians will try to stave off cuts costing jobs in their home states.

At one extreme of the debate formally opening today is the view that Congress endangers the safety of the country by continuing to cut the defense budget. The opposite view is that President Reagan and Weinberger drove the Pentagon budget to an artificially high level and it is time to bring it down.

With no war and the new Soviet willingness to negotiate arms reductions, the military budget should

decrease, according to some legislators. A contrary argument is that removal of nuclear weapons from Europe under the Intermediate-Range Nuclear Forces (INF) Treaty requires higher spending for non-nuclear weapons.

The Army, Navy, Air Force and Marine Corps are taking people off payrolls to save money immediately. Old ships will be retired earlier, weapons buying will be stretched out, new weapon starts will be restricted, and repairs and overhauls will be postponed as another part of this retrenchment effort.

Aerospace executives told The Washington Post yesterday that with few new weapons programs in sight, their firms will vie for the billions the Pentagon will spend in the 1990s to modernize existing weapons. Selling the Pentagon new generations of electronics for ships, aircraft and missiles looks like the best way to offset the lack of new starts, they said. Forty-five percent of the cost of the Air Force's Advanced Tactical Fighter (ATF) will be for its electronics, said one ex-

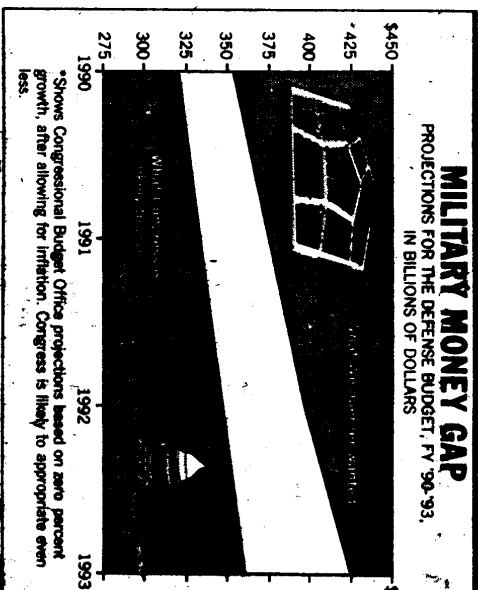
ecutive, compared with 15 percent for today's F15 fighter.

"That's why you see those of us in the airframe business buying electronic firms," he added. "We also see the electronics needed to keep track of Soviet submarines as big business for us in the 1990s."

This time last year Reagan planned to request \$332 billion in new appropriations for fiscal 1989 to continue his rearmament program. In meetings with congressional leaders, Carlucci agreed to come down to \$299 billion in the budget to be unveiled today, a \$33 billion cut. Carlucci wrote Sen. Sam Nunn (D-Ga.), Senate Armed Services Committee chairman, that even in the unlikely event he receives his requested 2 percent annual increase, the bigger crunch will come beyond fiscal 1989 for the so-called "out years."

"I am now undertaking the formidable task of developing a new program, noting that the lowered starting point means that for fiscal 1990, 1991 and 1992, \$203 billion in defense programs must be eliminated before I would be in a position to provide you with a meaningful five-year defense program," he said.

The Senate Budget Committee is already looking beyond the effect of the \$33 billion reduction to be unveiled in the budget request and is focusing on how the military services can reduce forces in the 1990s without endangering the country's safety, officials said. Ideas under discussion, officials said, include negotiating changes in



the NATO treaty so European ships could replace U.S. warships in the Mediterranean, transferring the commitment to defend Norway from the Marines to the Army, transforming several Army active duty units based in the United States to reserve elements and conducting a phased withdrawal of U.S. troops from South Korea under the argument that South Korea now has the capability to provide for almost all of its defense.